

SMALL BUSINESS

(MUCH DESIRED)

INFORMATION

Prepared by : Michanna Talley, MS, BS, Cert.

BUSINESS ORGANIZATION

Sole Proprietorship	General Partnership	Limited Partnership	C Corporation	S Corporation	LLCs and LLPs
<ul style="list-style-type: none"> ❖ One person operating business ❖ Profits taxed as income to the owner personally ❖ Unlimited liability for debts 	<ul style="list-style-type: none"> ❖ Two or more persons ❖ Profits are taxed as income to the partners based on ownership percentage ❖ Each partner is liable for all debts 	<ul style="list-style-type: none"> ❖ Two or more persons ❖ Profits received shared based on proportion of their investment ❖ Each partner is liable based on proportion of investment 	<ul style="list-style-type: none"> ❖ Rights, Privileges, & Liabilities are separate from individuals ❖ Subject to more government regulation ❖ Limited liability 	<ul style="list-style-type: none"> ❖ Taxed as a partnership or sole proprietorship ❖ Profits taxed at individual rate 	<ul style="list-style-type: none"> ❖ Legal entity distinct from its owners ❖ Can acquire assets and incur liabilities ❖ Limited liability for the owners (no risk of personal investments)

EMPLOYER IDENTIFICATION

- ❖ AKA Federal Tax Identification Number
- ❖ Used to identify a business entity (similar to a SSN for individuals)
- ❖ Can apply online, by phone, or by fax
- ❖ Form SS-4 required for application
- ❖ Call 1-800-829-4933 or visit <http://www.irs.gov/businesses/small/index.html>

FEDERAL EMPLOYEE IDENTIFICATION

- ❖ Required if you plan to hire employees
- ❖ To obtain form and required documents

call 1-800-829-1040 or visit

<http://www.irs.gov/businesses/small/index/html>

TRADEMARKS, PATENTS & COPYRIGHTS

- ❖ **Trademark** – words, phrases, symbols, designs, or combinations that identify the source of the goods
 - May be registered at both the state & federal level
 - To register a federal trademark and/or find out more information visit www.uspto.gov
- ❖ **Patent** – grant of a property right to an inventor
 - Others are excluded from making, using, or selling the patented item
 - More information can be found at www.uspto.gov
- ❖ **Copyright** – protect original literary, dramatic, musical, artistic, and intellectual works
 - For more information, visit www.copyright.gov

FINANCING BASICS

What to Take to the Lender:

- ❖ Purpose of the loan
- ❖ History of the business (if an existing business)
- ❖ Financial statements for 3 years (if an existing business)
- ❖ Projected opening-day values (for new businesses)
- ❖ Lease details (if necessary)
- ❖ Amount of investment in the business by the owner(s)
- ❖ Projections of income, expenses, and cash flow
- ❖ Personal financial statements on the principal owners
- ❖ Resumes of the principal owner(s) and manager(s)

SBA LOAN PROGRAMS

	7(a) Loan	SBA Express	Community Express	Patriot Express	Microloans
Maximum Amount	\$2 million gross	\$350,000	\$250,000	\$500,000	\$35,000
Use of Proceeds	Construction, land, buildings, equipment, fixtures, working capital, refinancing, inventory	Revolving line of credit or a term loan	Revolving line of credit or a term loan	Construction, land, buildings, equipment, fixtures, working capital, refinancing, inventory	Equipment, fixtures, working capital (cannot be used to repay existing debt)
Who Qualifies	For profit businesses , meet SBA size standards; show ability to repay	See 7(a) Loan	See 7(a) Loan	See 7(a) Loan	See 7(a) Loan

FINANCING NOTES

- ❖ The SBA **does not offer grants** to individual business owners to grow/start business
 - The only grants the SBA offers are for business to offer management technical assistance to other businesses
- ❖ For additional information take the online training course regarding SBA loans at <http://app1.sba.gov/training/sbafp/>
- ❖ Loan information is subject to change and all information should be verified at www.sba.gov

REFERENCE

Small Business Resource

(print version of information available on
www.sba.gov)

Prepared by : Michanna Talley, MS, BS, Cert.

❖ Owner and creator of Jazi Gifts by Michanna LLC

❖ More information available at www.jazigifts.com